

Riley County Housing Market

October 2008

Purpose

While the housing market nationwide is down, the following information is intended to demonstrate why the local market does not reflect the national market.

A sales ratio measures the accuracy of the valuation of a home. It is found by dividing the valuation by the sale price of the home.

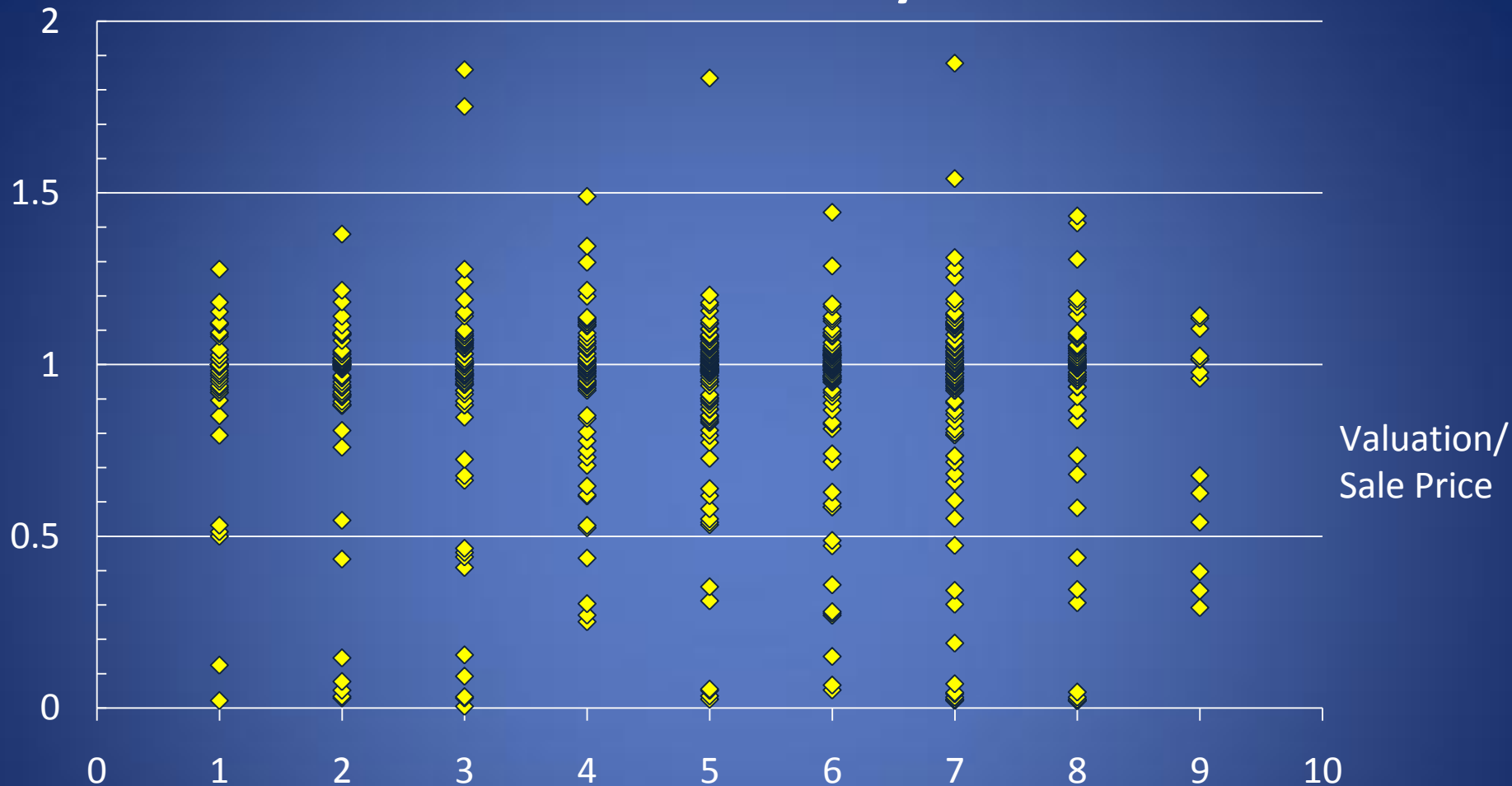
$$\text{Valuation} \div \text{Sale Price}$$

$$200,000/200,000 = 1.0$$

$$200,000/210,000 = 0.9524$$

$$200,000/180,000 = 1.11$$

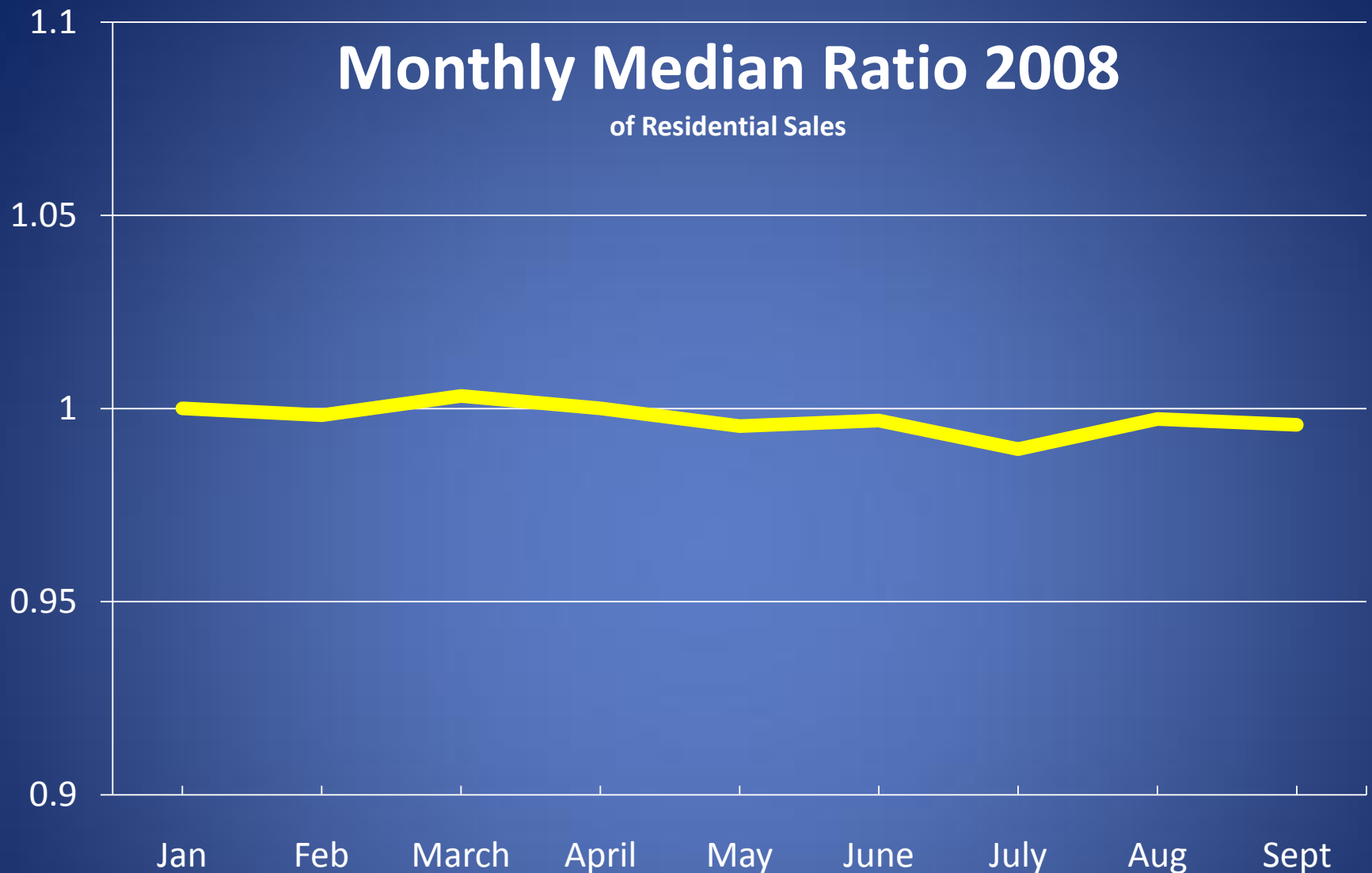
Residential Valuation Ratios by Month 2008



Each diamond represents a valid residential sale ratio. Each column represents the month in which the sale occurred. Every diamond less than 1.0 represents a sale in which the valuation is less than the selling price. Those points greater than 1.0 represent a sale price below the county's valuation. Over 580 sales are shown. The dispersion of ratios reflect stability and shows no trend up or down from the beginning of the year.

Monthly Median Ratio 2008

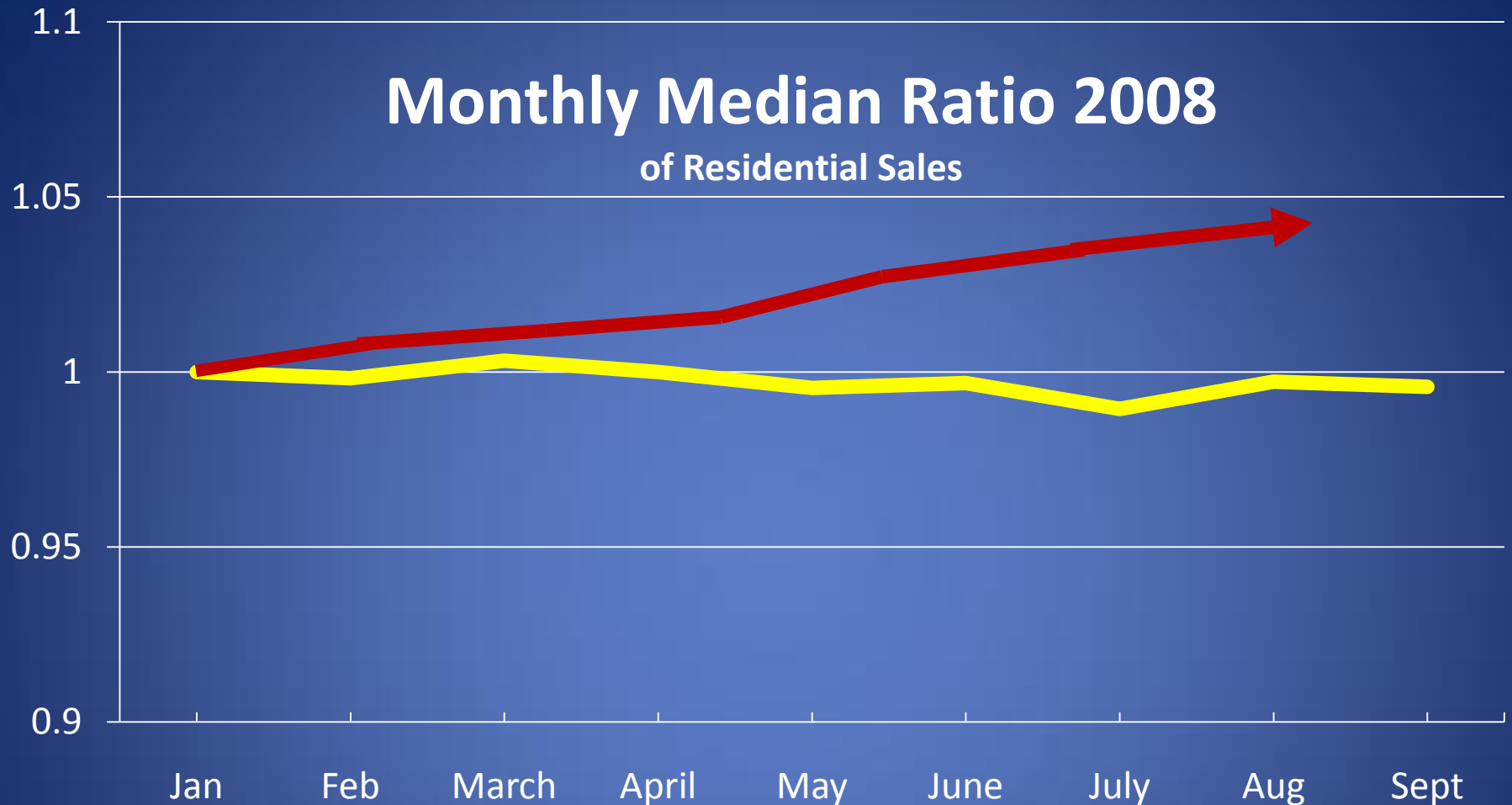
of Residential Sales



The graph shows how the median ratio has varied each month. The ratios have consistently remained near a value of 1. There is an equal number of ratios above and below the median ratio.

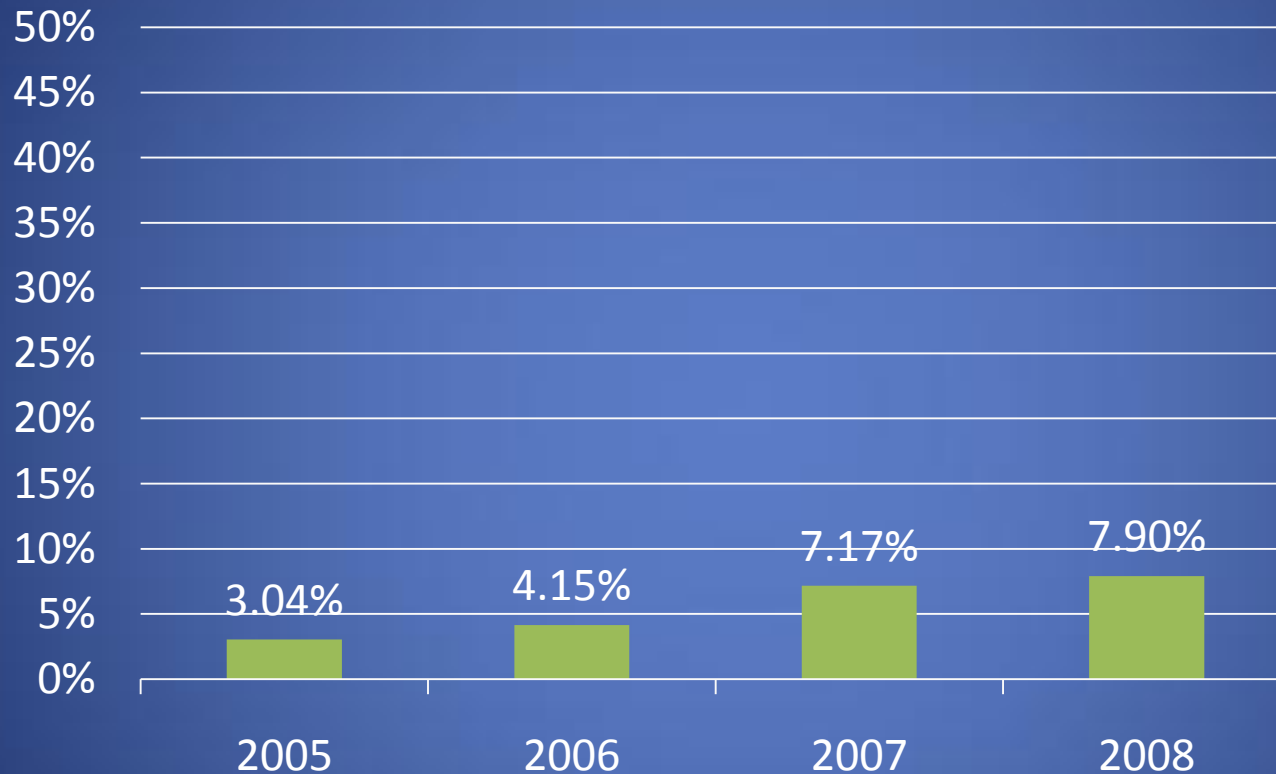
Monthly Median Ratio 2008

of Residential Sales



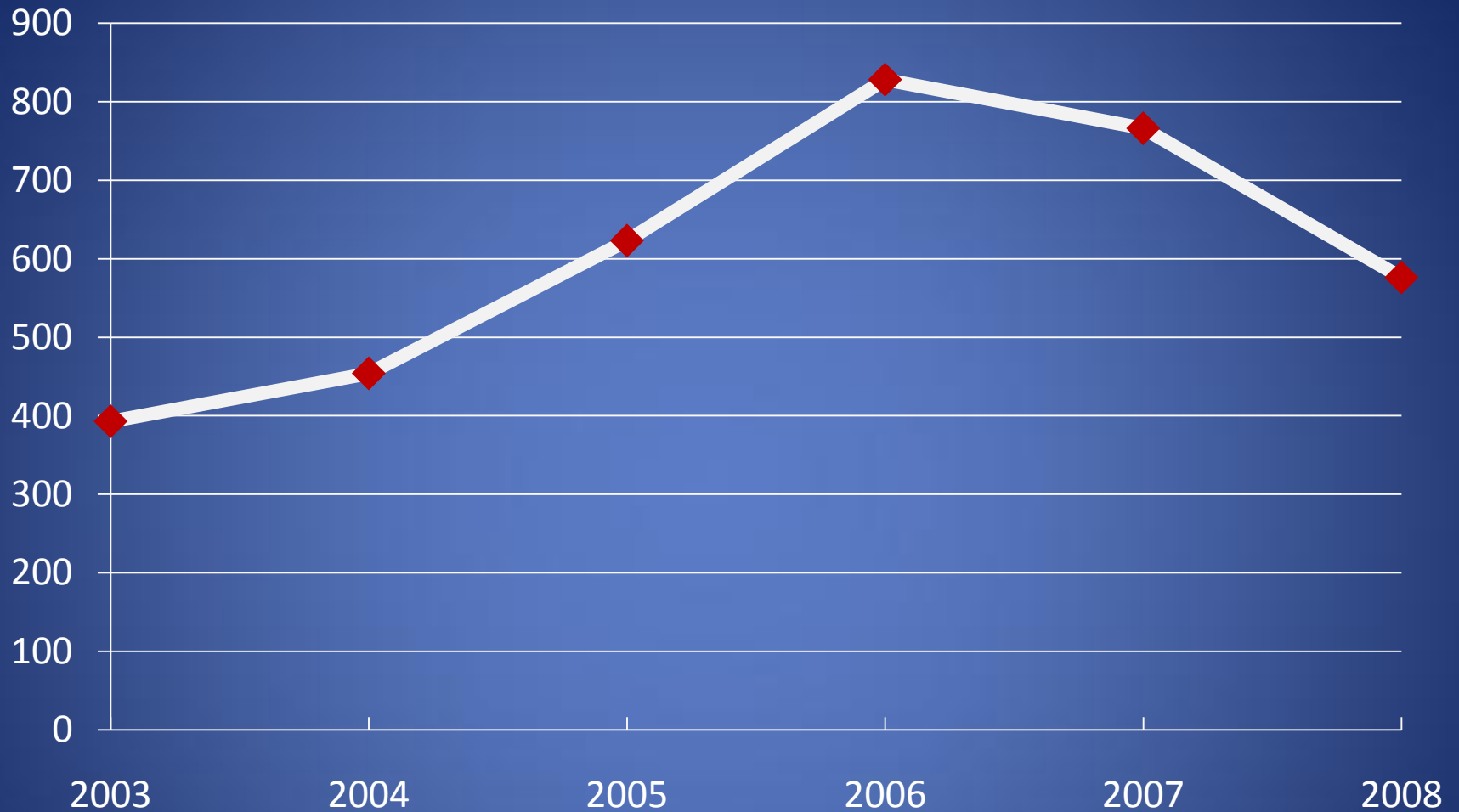
The claim that homes are losing more and more of their value is not supported. If that were true, a trend similar to the red line would represent this reality. The relatively flat line would indicate sale prices are neither rising, nor falling in 2008 and that the local market is stable.

Foreclosures as a Percent of Total Valid Sales



While the number of foreclosures in some markets has risen dramatically the past year, as of 10/1/08, they have risen less than 1% in Riley County from 2007-2008.

Valid Residential Sales 03-08



While home sales will be down in 2008 from 2007, it is possible the total will exceed 2005's sales and be the third highest on record in Riley County.

Sales
through Aug.
2008